

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
 )  
Application of MCI WorldCom Inc. and )  
Sprint Corporation for Consent to the )  
Transfer of Control of Licenses from )  
Sprint Corporation to MCI WorldCom Inc. )  
 )

CC Docket No. 99-333

To: The Commission

**REQUEST FOR DOCUMENTS BY THE RAINBOW/PUSH COALITION,**  
**COMMUNICATIONS WORKERS OF AMERICA,**  
**THE LEAGUE OF UNITED LATIN AMERICAN CITIZENS,**  
**THE GREENLINING INSTITUTE AND THE LATINO ISSUES FORUM**

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June 7, 2000

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For the reasons stated below, The Rainbow/PUSH Coalition, Communications Workers of America, The League of United Latin American Citizens, The Greenlining Institute and the Latino Issues Forum (hereinafter, "Petitioners") respectfully request that the Commission require MCI WorldCom Inc. and the Sprint Corporation (hereinafter, "Applicants") to produce for public inspection documents related to their merger application.<sup>1</sup> In particular, Petitioners request that Applicants make available all of the Hart-Scott-Rodino ("HSR") filings they have made with the Department of Justice ("DOJ") regarding their proposed merger. This request includes all requests or inquiries for information made by the DOJ and the Applicants' responses thereto.<sup>2</sup>

Public inspection of these merger documents is necessary because Applicants have not supplied adequate information about the merger to the public or even the Commission staff.<sup>3</sup> Merger applicants have the burden of demonstrating by a preponderance of the evidence compliance with the following four requirements: (1) the post-merger entity would not be in violation of the Communications Act; (2) the post-merger entity would not be in violation of the Commission's rules; (3) the combination of firms would not frustrate the FCC's ability to enforce the Communications Act or substantially impair its efforts to achieve the goals of the

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<sup>1</sup> *Applications of Sprint Corporation, Transferor, and MCI WorldCom Inc., Transferee, for Consent to Transfer Control*, CC Docket No. 99-333 (filed Nov. 17, 1999).

<sup>2</sup> This request includes but is not limited to "second requests" under 15 U.S.C. § 18a(e).

<sup>3</sup> The Commission has twice asked the Applicants for further information on their proposed merger. *See* Letter from Michelle Carey, Chief of the Policy and Program Planning Division, Common Carrier Bureau to Magalie Salas, Secretary of the FCC, CC Docket No. 99-333, (April 19, 2000) (noting staff's request of Applicants to submit additional information on the Internet and long distance markets and to provide certain consultant reports). *See also* Supplemental Internet Submission, CC Docket No. 99-333 (filed Jan. 14, 2000).

Act; and (4) affirmative public interest benefits will be realized from the merger that would not be achieved without the merger. The HSR materials directly address the merger's effect on competition in telecommunications markets and the four requirements above. Moreover, Petitioners, who represent the interests of working family, low-income, and minority telecommunications consumers in this proceeding, believe that the only way to participate in this proceeding effectively is through access to the complete merger materials.

The Common Carrier Bureau held a public forum on April 5, 2000 to collect additional information regarding the proposed merger's compliance with the four-part test. The Bureau's staff raised a number of questions at this meeting, including:

- Would the merger increase the need for regulation of the Internet?
- How does the merger impact the fifty percent of residential long distance customers who are low-volume users?
- What are the purported merger-specific benefits resulting from the merger?
- Could not the purported benefits of combining Sprint's and MCI WorldCom's MMDS assets be achieved absent this merger?
- Does the merger bring service to underserved areas or unserved persons?

Petitioners submit that Applicants did not provide complete or satisfactory answers to any of these questions. Moreover, at the hearing, Applicants' representatives attempted to answer many of these questions by stating that their position is supported by merger documents.<sup>4</sup> Petitioners need access to these documents to learn the answers to these important questions.

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<sup>4</sup> "And I suggest you look at the facts rather than the assertions." Michael Salsbury, Executive Vice President and General Counsel, MCI WorldCom, Transcript of Common Carrier Bureau Public Forum on MCI WorldCom - Sprint Proposed Merger, 34 (April 5, 2000). "I do think that the data that we submitted, again, I suppose, you know, economists will look at any data and they will draw many different conclusions." *Id.* at 46.

Furthermore, production of these materials is necessary to resolve the issues raised by Petitioners in their Petitions to Deny filed with the Commission on February 18, 2000.<sup>5</sup> Specifically, MCI WorldCom has failed to demonstrate that it has fulfilled earlier commitments to expand its facilities and services to serve urban, low-income and minority consumers. MCI WorldCom promised to build out their fiber networks to areas populated by low-income and minority residents and minority-owned businesses when they sought approval of their last merger.<sup>6</sup> More than two years later, MCI WorldCom has made little progress. Applicants have largely ignored this issue and refuse to provide any information to substantiate their claims that they serve all socio-economic groups. Petitioners submit that the documents they request will confirm that MCI WorldCom continues to creamskim profits from large businesses while ignoring the needs of minority and low-income consumers to access advanced services.

Petitioners are also concerned about several other anti-competitive effects presented by this proposed merger that are likely addressed by the HSR materials. Review of these documents is necessary to determine the danger posed by the combination of two of the three largest facilities-based long distance carriers. Applicants have been unwilling to provide any documentation of the merger's likely effect on the domestic or international long distance

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<sup>5</sup> See *Petition to Deny of The Rainbow/PUSH Coalition, The League of Latin American Citizens, The Greenlining Institute and The Latino Issues Forum*, CC Docket No. 99-333 (filed Feb. 18, 2000); *Petition to Deny or to Impose Conditions of Communications Workers of America*, CC Docket No. 99-333 (filed Feb. 18, 2000).

<sup>6</sup> “[W]e agree with the Applicants that the current placement of fiber networks in and around city centers means that, as the combined entity builds out its local networks, low-income and minority communities located in and around these city centers are well-positioned to receive the benefits of local competition.” *In the Matter of Application of WorldCom, Inc. and MCI Communications Corporation for Transfer of Control of MCI Communications Corporation to WorldCom, Inc.*, 13 FCC Rcd 18025, 18145 (1998).

markets, instead attempting to avoid the issue by redefining the long distance market as an “all distance” market.

Applicants also have provided insufficient information on their market share of the Internet backbone.<sup>7</sup> By volunteering to divest Sprint’s Internet backbone assets, Applicants admit that their combination would harm competition in the Internet switching market. However, Applicants have not provided the data regarding their current control of the Internet backbone necessary to demonstrate that divestiture of Sprint’s Internet backbone share is a sufficient remedy.

Finally, the documents are necessary to establish Sprint’s current investment in its local exchange facilities and determine whether Applicants plan to decrease that investment after the merger. Petitioners remain concerned that MCI WorldCom, a company that has shown little commitment to serving residential customers, will reduce the quality of Sprint’s local telephone service once it has control over those assets.

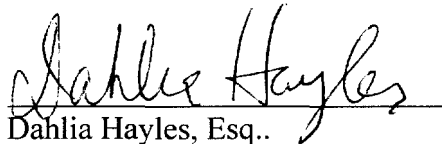
Petitioners, public interest organizations without significant resources, call upon the Commission to assist them in their search for answers. Because Applicants have not documented their claims that their merger would be beneficial to the public, Petitioners request that the Commission make all HSR material public. This request imposes no additional burden on Applicants as they have already produced all of these documents for the DOJ and some of the documents in state merger review proceedings. But without access to complete information from

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<sup>7</sup> In their Joint Reply, Applicants refute all HHI estimates submitted by commenting parties because they are “unreliable.” Applicants do not offer their own calculation of their market share, but rather focus on the growth of the Internet. *See Reply to Comments and Petitions to Deny Application for Consent to Transfer Control*, CC Docket No. 99-333, 91-99 (March 20, 2000).

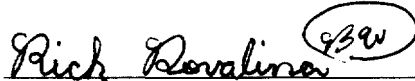
Applicants, Petitioners cannot adequately protect the interest of their constituents. Petitioners have repeatedly requested information, or in the very least a direct response, from Applicants and have been ignored. Petitioners now seek the Commission's assistance in this matter.

Respectfully Submitted,

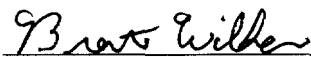


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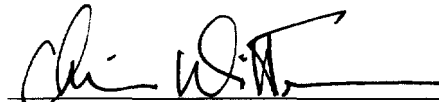


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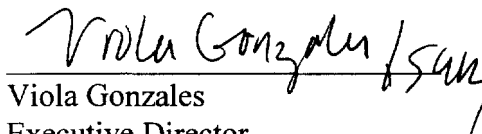


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## **CERTIFICATE OF SERVICE**

I hereby certify that on this 8th day of June, 2000, I caused copies of the foregoing Request For Documents By The Rainbow/PUSH Coalition, Communications Workers of America, The League of United Latin American Citizens, The Greenlining Institute and the Latino Issues Form to be mailed via first-class postage prepaid mail to the following:

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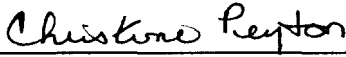
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